FACES

2020
HUMANIZE EVERY CLICK™

GROCERY

Reports indicate that competition between traditional brick-and-mortar chains and online retailers is rising, with consumers increasingly seeking online options. The grocery industry is no exception. The challenge lies in maintaining a sustainable cost structure for fresh and local products and to maintain required cold storage facilities. Omnichannel approaches are increasing the competition among retailers, as big players like Walmart experienced 33% ecommerce sales growth in 2019 with click-and-collect purchases driving 131.9 million online visitors (eMarketer).

Gen X, Millennials, and Gen Z are observed to be the most avid online food buyers who consider factors like website trust, usefulness, and ease of navigation for their online grocery shopping experience.

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LATENCY

48 .... TIME FROM FIRST WEBSITE **47**
HOURS   LANDING TO PURCHASE   HOURS

With 6 fewer days between Thanksgiving and Christmas compared to last year, there was an urgency for consumers to stock up on their supplies and look for the best deals online. This urgency resulted in 37% of 2019 holiday sales being completed before Black Friday and Cyber Monday. We hypothesized that consumers would check out faster during the holiday season to compensate for the lost days.

Mobile phone usage has increased for online grocery shopping, as we have seen it rise throughout other categories. First-time mobile users have increased by 12% in the holiday season when compared to the pre-holiday season. Prior website visits have decreased by 17% in the holiday season. We theorize that users are making informed decisions about brands and are willing to spend more time on brand and product research. Loyalty programs that reward users to patronize the business more frequently decreases the chance a user will shop around.

CART SIZE AND COMPOSITION

PRE-HOLIDAY		HOLIDAY
$95	AVERAGE ORDER VALUE (AOV) OF CART	..... **$112**

During the holiday season, consumers tend to stock up on supplies in order to spend more time socializing and eating. Marketers should target consumers while they are in the planning stages of holiday meals or intercept them while already grocery shopping. Identifying consumer life stages, website behavior, and brand affinity can help retailers better target different customer segments and drive higher profit margins.

As observed from the pre-holiday season, the AOV increased by 19%. Retailers can take this opportunity to focus on upselling their products by offering discounts on high-value purchases. A personalized messaging approach is helpful to drive more quality leads and reduce the research period for first-time purchasers, as customers learn to trust the brand. For new users, micro-moments online and offline act as touchpoints, leading to an overall promotional strategy right from the customer's initial need recognition to final purchase.

The 2019 holiday season, however, saw a drop by 0.8% in items per order, despite the AOV increasing. Promotional offers, discounts, and same-day delivery charges probably contributed to these changes. Product bundling during these high-volume sales periods can help improve the overall revenue and AOV for the retailer.

DEVICE LEVEL INSIGHTS

PRE-HOLIDAY		HOLIDAY
31%	· · · · · FIRST VISITS ON MOBILE · · · · ·	35%

Rising disposable income and trends in technology have led to a drastic shift in the way e-grocery shopping is done, evolving the landscape of ecommerce in the last few years. The online grocery industry has seen a spike in mobile users by about 6% during the holiday season, as retailers adapt to provide superior services and increased accessibility to their customers. Mobile devices drove higher sales of about 61%, which most likely aligns with consumer behavior focused on discussing meal plans and preparation, with mobile devices handy during these discussions. Mobile assistants can make the shopping experience much simpler; thus, the future of online shopping should focus on targeting early technology adopters and enhancing the experience at various customer touch points.

For lower-involvement products such as groceries, users are actively looking for deals more frequently. To target such behavior, online retailers can adopt much simpler messages that attract the user's attention. Retailers can use ad messaging blink tests, for example, in which visitors can evaluate content within 3-5 seconds of landing on your website, judge it, and decide whether to purchase. In a similar context, Google observed a 90% growth in mobile searches using messaging like "Best Deals".

TIME OF PURCHASE

11AM .... TOP PERFORMING HOUR OF THE DAY **11**AM

Consumers prefer faster delivery of goods rather than in-store pickups, which means they prioritize convenience. As consumers plan to make bulk purchases to prepare for holiday meals, they require additional time to gather all the necessary goods. There is a 2-hour delay between the time of the first website visit to the final checkout. Consumers typically buy groceries early in the week to plan meals for the upcoming days.

Retailers can capitalize on a larger number of users visiting their websites by targeting the right customer at the right time to give them a good deal to sink their teeth into.

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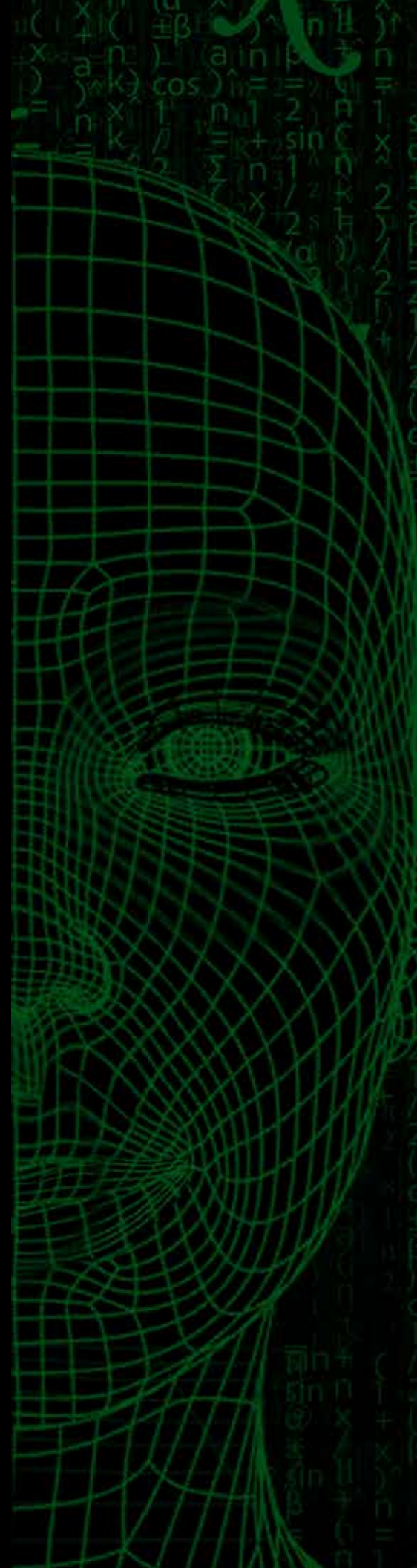
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